

27411



DATE: February 14, 1984

B-210806

MATTER OF:

Georgetown Air & Hydro Systems

DIGEST:

- Contention that solicitation specifications are improper in that they contain design features patented by protester's supplier is untimely because protest was not filed until after the closing date for receipt of initial proposals.
- 2. The determination of the relative merits of offerors' technical proposals is primarily the responsibility of the procuring agency and will be questioned by GAO only upon a clear showing of unreasonableness, abuse of discretion or violation of procurement statutes or regulations. Protest is denied where record evidences a reasonable basis for procuring agency's conclusion that awardee, whose firm fixed price was approximately 10 percent below the protester's, also submitted the technically superior proposal.
- 3. GAO does not review contracting officers' affirmative determinations of responsibility except in limited circumstances not shown to be present in this case.

Georgetown Air & Hydro Systems protests the award of a contract to ILC Dover under reguest for proposals (RFP) No. DAAK70-83-R-0007, issued by the U.S. Army Mobility Equipment Research and Development Command (MERADCOM), Ft. Belvoir, Virginia, for an air bag system for lifting a transport craft. Georgetown maintains that the RFP specifications are based upon patents held by its supplier; that

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performance of the contract by ILC Dover will entail infringement of those patents; that Georgetown should have been awarded the contract as the "low responsive bidder"; that the Army erred in its evaluation of responses to the RFP and that ILC Dover is incapable of satisfactorily performing the contract. For the reason stated below, we dismiss the protest in part and deny it in part.

Background

The Lighter, Air Cushion Vehicle, 30-ton capacity (LACV-30) is a craft approximately 80 feet long by 40 feet wide which has a gross weight when loaded of 120,000 pounds. The craft does not have an integral jacking system to raise it so that underhull and skirt inspection and repair can be performed. The objective of this RFP is to perfect a method for lifting the craft which is more economical and efficient than other currently available methods such as the use of straddle cranes or dry dock facilities. The concept contained in this RFP is to place beneath the craft several large, deflated air bags which are connected to a source of compressed air, which is regulated and monitored by a manifold. When the bags are inflated, they are to raise the craft sufficiently so that 48 55-gallon oil drums may be placed beneath it. The drums support the craft while the work is being performed. the work is complete, the process is reversed to permit the removal of the drums, then the bags, and the return of the craft to service. This procurement is for one complete air bag system, including supporting data and test and safety assessment reports.

The record in this case shows that the concept of using air bags to lift this craft has been explored for a decade. Among these efforts, the Army states, is an information search it conducted in 1979 to find a state-of-the-art lifting bag system for the LACV-30 program. Information was obtained from several sources, including the protester, which is the manufacturer's representative to the United States Government for a West German producer of air bags, Vetter Produktions GmbH. In 1979, Georgetown volunteered at no obligation to the government to demonstrate a Vetter high-pressure bag, which proved unsuitable for the purpose. Also in 1979, Georgetown submitted to the Army an "unsolicited proposal" which the Army states it declined to consider on the bases that

(f) One (1) copy of your latest Certified Financial Statement to enable evaluation of your financial capability.

OFFEROR'S FAILURE TO FURNISH THE ABOVE INFORMATION MAY RESULT IN THE PROPOSAL NOT BEING CONSIDERED FOR NEGOTIATION/ AWARD."

Sections M.1 through M.4 provided for the evaluation of proposals as follows:

"M.1 BASIS FOR AWARD

Award will be made to that responsible offeror who submits a proposal that meets the minimum technical requirements at the lowest evaluated price. Proposals should be submitted initially on the most favorable terms from technical and price viewpoints.

"M.2 EVALUATION FACTORS

Proposals will be evaluated on the basis of technical proposals and price. Technical proposals will be weighted approximately 3/4 and price will be weighted approximately 1/4 in the evaluation. Price shall be evaluated based on the lowest evaluated price. Negotiations shall be conducted with those offerors in a competitive range.

"M.3 EVALUATION OF TECHNICAL PROPOSALS

- a. Technical proposals will be evaluated for the purpose of determining an offeror's ability to perform in accordance with the technical requirements set forth in this solicitation. The data submitted by offerors in response to paragraph L.6 of this solicitation is the fundamental source of information upon which the technical evaluation is based.
- b. Inasmuch as your technical proposal will primarily determine the capability of your firm to participate in this program, it should be specific and complete in every detail. It should include your proposed

method of approach for performing all work required to satisfy the Government's requirements set forth elsewhere in this solicitation. The technical proposal shall not merely offer to comply with the Government's requirements but shall prescribe the approach planned to be used. Indicate in your proposal if the proposed system is a developmental or commercial item.

- c. Proposals should include a discussion of the areas of concern shown below. Statements which simply state that the offeror will fulfill the Government's requirements shall be reason for determining the firm's proposal to be unacceptable.
- d. Technical evaluation subfactors listed below shall be the basis for technical evaluations. Subfactors 1-4 are equally weighted and comprise approximately 2/5 of the total evaluation. Subfactors 5-9 are equally weighted and comprise approximately 1/4 of the total evaluation. Subfactors 10-12 are approximately equally weighted and shall comprise the remainder of the points.
 - (1) Ability to meet the required delivery schedule
 - (2) System weight: lower weights shall be given higher ratings
 - (3) Overload lift capacity
 - (4) Long term service life in sand and salt environment, compatibility with oil, sun, sand, etc.
 - (5) Experience in similar or related fields. Identify any current or recently completed Government contracts in a similar field.
 - (6) Collapsed height of bags: lower heights shall receive higher ratings
 - (7) Time required to effect lift: systems requiring less time shall receive higher ratings.
 - (8) Manpower required to effect lift: systems requiring less manpower shall be given preference.

- (9) Safety evaluation
 - (a) Material and design features
 - (b) Procedure and operational concepts
- (10) Long term shelf life
- (11) Suitability for temperature range
 -40F to 115F
- (12) General quality and responsiveness of proposal
 - (a) Completeness and thoroughness
 - (b) Clarity
 - (c) Responsiveness to terms

"M.4 EVALUATION OF PRICE

Price shall be weighted approximately 1/4 in the evaluation price. Evaluation shall be based upon the lowest evaluated price to the Government in accordance with M.1 and M.2 of this solicitation."

Three firms submitted offers in response to the RFP and the technical proposals were referred to the MERADCOM project engineer for evaluation. The engineer had questions concerning each of the proposals and had a contract specialist telephone each of the offerors for clarification of certain features in their proposals. Georgetown was requested to clarify its proposal with regard to baq weight, maximum collapsed height, shelf life, and footprint of the baq. Georgetown responded to these questions and the contract specialist reported this additional information, as well as clarifications received from the other offerors, to the engineer for his consideration. The engineer then reviewed the proposals and ranked the offerors as follows:

Offeror	Offer	Technical	Total
	<u>Price</u>	Evaluation	Score
ILC Dover Goodyear Aerospace	\$89,108	Acceptable	93%
Corp. Georgetown	\$85,907 ¹	Acceptable	84%
	\$96,600	Acceptable	83%

¹Goodyear's estimated cost plus a fixed fee; the other offers were based on a firm fixed price.

The engineer then informed the contract specialist of the deficiencies found in each proposal and the specialist in turn relayed this information to the offerors and requested best and final offers. The specialist advised Georgetown of three deficiencies in its proposal: proposed methods of meeting delivery and safety requirements should be addressed; (2) proposed manifold system should be addressed in detail; and (3) all testing requirements cited in the solicitation should be incorporated into the resulting contract. Georgetown's response to these deficiencies in its best and final offer was deemed unsatisfactory and consequently Georgetown did not improve on its original technical evaluation, whereas in its best and final offer ILC Dover corrected an omitted certification and lowered its price to \$86,075, thus improving its offer. Goodyear's best and final offer stated that its offer remained as presented in its initial proposal. Since ILC Dover's offer was rated as the highest technically acceptable and had the second lowest cost, the contract was awarded to that firm.

Discussion

Upon being advised of the award to ILC Dover, Georgetown filed a protest with our Office in which it alleged that (1) the RFP specifications were based on Vetter patents and performance of the contract by ILC Dover would entail infringement of those patents and (2) that Georgetown was entitled to the award as "the low responsive bidder."

To the extent that Georgetown's first allegation is that the specifications are improper, its protest is untimely. A protest based upon an alleged impropriety in a request for proposals must be filed prior to the closing date for receipt of initial proposals. 4 C.F.R. § 21.2(b)(1) (1983). Georgetown's protest was not filed until after it was notified of the award of the contract. Moreover, we note that the protester, despite requests from the Army that it do so, has yet to identify the specification provisions or particular patents that form the basis for its allegation. In addition, we point out that the exclusive remedy for actual patent infringement resulting from performance of a government contract is a suit for money damages against the government in the United States Claims Court. 28 U.S.C. § 1498 (1976). The protest is dismissed as to Georgetown's first ground of protest.

In response to Georgetown's second allegation that it should have received the award as "the low responsive bidder," the Army submitted a report in which it discussed the criteria for proposal evaluation, which we have quoted above, its evaluation of the proposals and why it concluded that ILC Dover should receive the award: that firm received the highest technical ranking and its firm fixed price was only \$168 above Goodyear's estimated cost plus fixed fee and was \$10,525 below Georgetown's firm fixed price.

Georgetown expanded upon its protest upon receiving the Army's report; the Army submitted a supplemental report and Georgetown filed comments on that report. Our discussion below summarizes all of these submissions. In broad outline, Georgetown maintains that the Army's evaluation of price was flawed in that Goodyear's estimated cost plus fixed fee of \$85,907 should not have been scored higher than Georgetown's firm fixed price of \$96,600, and that ILC Dover's firm fixed price of \$86,075 was only an "estimate"; that the technical evaluation was in error, perhaps as the result of personal bias on the part of the Army's evaluator, so that ILC Dover received higher scores and Georgetown lower scores than they should have; and that ILC Dover is incapable of successfully performing the contract on schedule.

With regard to the first of these issues -- the propriety of the price evaluation--we believe there is some merit to Georgetown's argument concerning Goodyear's proposal. The RFP contemplated a firm fixed-price contract although it advised offerors that "offers on another type of contractual arrangement will be considered responsive." As indicated above, Goodyear proposed on a cost-plus-fixedfee basis, and refused to offer a firm fixed price even in the face of the Army's advice during negotiations that "the solicitation requires a firm fixed-price proposal." It is clear from the record that the Army never regarded a cost-plus-fixed-fee proposal acceptable because of the possibility that actual costs could exceed those proposed and in view of the impracticability of auditing such a relatively low dollar value contract with such a short delivery schedule (100 days). Nevertheless, under the "price" evaluation criterion, Goodyear received 75 points (out of a maximum of 100) and Georgetown received 70. The Army admits that "Goodvear received a higher rating for its proposed cost because it was \$10,000 lower than [the protester] even though Goodyear proposed an unacceptable type of contract." We need not dwell on the appropriateness of this scoring approach, however, since Goodyear did not

receive the award and therefore Georgetown was not prejudiced by that scoring.

A more relevant comparison is the firm fixed prices offered by ILC Dover (\$86,075) and the protester (\$96,600). ILC Dover was awarded 95 points for "price" in comparison to the protester's 70 points. Although the protester attacks ILC Dover's price as an "estimate" because ILC Dover was offering a developmental item rather than a commercially-available one such as the Vetter product, the fact remains that ILC Dover was obligated under the terms of its proposal to perform the contract at the price it offered. We have no basis to question the propriety of the Army's evaluation of ILC Dover's price.

With regard to the second issue--the propriety of the evaluation of technical proposals -- there are three circumstances which especially concern us and which must be discussed as a preliminary matter. First, there is a dispute between Georgetown and the Army as to what was submitted as Georgetown's proposal. In its report to our Office, the Army states that Georgetown's "proposal" consisted of a copy of the RFP upon which were typed a few explanatory notes. Georgetown disputes this, claiming that its "offer is not reproduced in its entirety [in the Army's report]. Photos as well as drawings were supplied with our offer as part of our offer." (Emphasis in original.) It also states that it "supplied literature, drawings, photos, material composition and accounting data . . . " The Army just as emphatically maintains that no such material was submitted with Georgetown's proposal.

The only available evidence as to whether Georgetown's proposal included drawings, photographs and other data is the conflicting statements of the protester and the contracting agency. In such circumstances, we have held that the protester has not met its burden of affirmatively proving its case. Harris Systems of Texas, Inc.; Anti Pest Co., Inc., B-208670, B-208809, April 13, 1983, 83-1 CPD 392.

Second, the record does raise some question as to whether the Army's evaluator may have consulted materials which were not in Georgetown's technical proposal. This would have been improper, for it is a basic principle of negotiated procurements that proposals must be evaluated solely on the basis of information furnished with them. No matter how capable an offeror may be, it cannot expect to be considered for award if it does not submit an

adequately written proposal. Aqua-Tech, Inc., B-210593, July 14, 1983, 83-2 CPD 91.

In its initial report to our Office, the Army stated that as a result of Georgetown's "failure to provide a technical proposal per se, the project engineer evaluated the proposal on the basis of previously submitted advertising material and telephone conversations with the company . . ." In its supplemental report, however, the Army states that "the project engineer who evaluated the proposals relied only on information provided in the solicitation and not on photographs, drawings or promotional literature presented outside the solicitation/award process." We are unable to reconcile these two statements by the Army.

These statements concern us because seven of the categories upon which proposals were graded (time required for lift; manpower required for lift; overload lift capacity; safety evaluation; service and compatibility in marine environment; suitability for temperatures from -40°F. to 115°F.; and experience in related fields) are not specifically discussed in the notes added by Georgetown to the RFP or in the questions asked of it during negotiations. It is not clear to us what information formed the basis for Georgetown's scores in these areas, ranging from 85 to 100 percent, some of which the protester considers too low.

The most striking example, perhaps, is the fact that Georgetown received 90 points out of a maximum of 100 in the category "experience in related fields." Georgetown argues that its score is too low and its protest includes an extensive list of contracts it has performed for the government as well as an account of the experience of its Project/Design Engineer. The protester admits that none of this information was provided with its proposal because it was not "asked for." This, of course, is incorrect because section L.6(e) of the solicitation, quoted above, specifically advised offerors that their proposals "shall include . . . [two] (2) copies of your qualifications to perform the proposed work and services (to include resumes for the scientific/technical personnel proposed for the program), while section M.3 of the solicitation, identifying the criteria by which proposals would be evaluated, included the following criterion:

"(5) Experience in similar or related fields. Identify any current or recently completed Government contracts in a similar field."

Since Georgetown admittedly did not submit any of this information with its proposal, we fail to understand how it could have received 90 percent credit for evaluation criterion number 5.

Third, it is clear from Georgetown's answers to the questions asked of it during discussions and from its protest correspondence that the company anticipated that its proposal would be evaluated in light of the information about the Vetter system it had provided to the Army during the 3 years preceding this solicitation. One example of this expectation on Georgetown's part is its proposed manifold system.

The manifold is a device which receives air from a compressor or storage cylinder and distributes it to the air bags. Through a system of valves and gauges an operator can monitor and control the amount of pressure in each air bag. The RFP specifications did not prescribe any particular design of the manifold other than "the pressure in each air bag can be read by a single operator at the compressed air source." Upon the copy of the RFP which it submitted as its proposal, Georgetown typed a note in which it "recommended" that the manifold system be designed so that half the lift bag system be controlled from the front or side of the craft and half from the opposite side of the craft, which would require two operators. Other than this notation, there is no description of the manifold system in the RFP submitted by Georgetown.

In its request for best and final offers, the Army advised Georgetown that its "proposed manifold system should be addressed in detail." Georgetown's response, in its entirety, was:

"Manifolding to be at your option. We have given you details over three years. Drawings will be supplied for approval if awarded a contract." (Emphasis in original.)

One of the Army's criticisms of Georgetown's proposal was that the company failed to describe the design of the manifold it proposed to supply. On the basis of this

record, we cannot say that the Army's criticism is unreasonable. We do not understand Georgetown even to contend that it submitted with its proposal a detailed description of its proposed manifold; but rather, that prior to the issuance of this RFP it had shown Army engineers photographs of its proposed manifold and that it promised to supply drawings of it "for approval" after the contract was awarded. This was not responsive to the Army's request that Georgetown address "in detail" its proposed manifold system.

Similarly, the contractor was to provide a safety assessment report and a test and demonstration report. In its proposal, ILC Dover explained how it would do these tasks. Georgetown appended to these items in the RFP Schedule a note which stated, "[to] comply with these requirements we will furnish a certificate of test and the testing criteria from a German Test Lab." When queried about this aspect of its proposal in the Army's request for best and final offers, Georgetown replied:

"We will supply a Certificate of Test by a German Test Lab as specified in our proposal and thoroughly discussed with all your people before we sent our proposal."

(Emphasis added.)

Georgetown's expectation that it would be evaluated for award based on information outside its proposal runs counter to the explicit instructions in sections L.6 and M.3 of the solicitation as well as decisions of our Office in which we repeatedly have held that all offerors must demonstrate in their proposals compliance with the requirements set out in the solicitation so that each firm can be evaluated on a common basis under the scheme established for selecting the successful competitor. See, e.g., The Management and Technical Services Company, a subsidiary of General Electric Company, B-209513, December 23, 1982, 82-2 CPD 571, and cases cited therein.

With respect to the propriety of the evaluation of technical proposals, we often have stated that it is neither our function nor our practice to determine independently the acceptability or relative technical merit of proposals. Our review of an agency's evaluation of proposals is limited to examining whether the evaluation was fair and reasonable and consistent with the evaluation criteria. We will question a contracting official's assessment of the technical merits of proposals only upon a clear showing of unreasonableness, abuse of discretion or violation of procurement statutes or regulations. Marine Research, Inc., B-206271, October 29, 1982, 82-2 CPD 380.

Our review is made more difficult by the three circumstances we have described above: the dispute as to what was submitted as Georgetown's proposal; the possible use by the Army's evaluator of some information not contained in that proposal; and Georgetown's expectation that it would be evaluated not only on the basis of its response to this solicitation but its effort over the preceding 3 years.

As we stated above, in view of Georgetown's failure to meet its burden of proof on the issue, we must conclude that its "proposal" consisted solely of a copy of the RFP upon which several notations were typed and its answers to the questions asked of it by the Army during negotiations. The information Georgetown supplied in these materials falls so far short of what was required by sections L.6 and M. of the solicitation that we must further conclude that in many respects Georgetown appears to have been given the benefit of the doubt in the evaluation process, as suggested by the fact that it received 90 percent credit under "experience in related fields" when it admittedly submitted no information on this subject with its proposal.

We now turn to Georgetown's specific objections to the evaluation of technical proposals. It first argues that it should have received a higher score than ILC Dover under the factor "time required to effect lift," weighted at 5 percent. In their recommendation to the contracting officer that award be made to ILC Dover, the Army's engineers provided the following information concerning the "time required for lift" at 250 cubic feet of air per minute:

Offeror	<u>Time</u>	Score
Goodyear ILC Dover	4.7 minutes 5.1 minutes	80 90
Georgetown	3.6 minutes	85

Georgetown argues that since its time is the shortest, it should have received the highest score. In response, the Army states that in scoring the proposals under "time required to effect lift" it took into consideration not only the times shown above, which represent inflation time, but the time required to position the air bags. Since the bags proposed by Georgetown are heavier than ILC Dover's, the evaluator reasoned it would take longer to position them and, taking into account both positioning and inflation time, that ILC Dover merited a slightly higher score. (This rationale also would be consistent with the lowest score being given to Goodyear even though it did not have the longest inflation time, because its bags were the heaviest proposed by any offeror and presumably would take the longest to position.)

With regard to the criterion "manpower required for lift" (weight: 5 percent), the engineers' summary and the evaluator's scoring was:

Offeror	Personnel Required	Score
Goodyear	3	90
ILC Dover	2	100
Georgetown	3	90

Georgetown questions why ILC Dover received the maximum score when in its technical proposal it stated "... the Air Bags can be properly positioned under the craft by 2 or more people." The protester maintains that the implication of this statement is that more than two people may be required to position the ILC Dover bags and, in that event, ILC Dover should not have received more credit than Georgetown. The Army advises that its evaluator reasoned that since ILC Dover's bags were lighter than the other offerors', it would be possible to position its bags with fewer people.

Georgetown next objects to the rating it received under "general quality and responsiveness of proposal" (weighted at 3 percent) for which the protester received the lowest score (80) of the three offerors. As section M.3(d) of the RFP indicated, considered under this criterion were: (1) completeness and thoroughness; (2) clarity, and (3) responsiveness to terms. Georgetown essentially claims that it offered to satisfy all of the Army's requirements; the Army maintains that the low score is attributable to Georgetown's sketchy proposal.

Georgetown also disagrees with the 90 percent credit it received for "experience in related fields" and has supplied extensive information on this subject with its protest. The Army notes that none of this information was included with Georgetown's proposal.

We cannot say that the Army's evaluation of Georgetown's proposal was unreasonable as to any of these criteria. It is undisputed that ILC Dover's proposed bag system had the lowest weight. As was pointed out in section M.3 of the RFP, this not only was an advantage in itself ("system weight: lower weights shall be given higher ratings") but also was in the offeror's favor to the extent it reduced the number of people required to position the bag ("manpower required to effect lift: systems requiring less manpower shall be given preference") and to the extent it reduced the time required to effect lift ("systems requiring less time shall receive higher ratings"). With regard to the number of people required to effect lift, Georgetown does not dispute the Army's assessment that Georgetown's system requires three people. Although, as Georgetown points out, ILC Dover's proposal states that its system can be positioned by "2 or more people," we note that two persons is represented as the minimum number needed to position the bag system and Georgetown has not shown this figure or the Army's acceptance of it to have been unreasonable. Finally, in view of the brevity of Georgetown's proposal, we have no basis upon which to conclude that the firm should have received higher ratings under "general quality and responsiveness of proposal" and "experience in related fields."

Georgetown also has taken exception to some of the remarks made by the Army's technical evaluator in a memorandum which he wrote in response to the protest and in which he discussed some of the concerns which led him to recommend award to ILC Dover. The engineer perceived Georgetown as a small business concern with no formal engineering background or capabilities and which must obtain its engineering support from the air bag manufacturer in Germany; he questioned whether Georgetown could supply the required "technical data software" (a parts list and a technical manual containing operating and maintenance procedures); and he listed as a concern "Buy American Act (problems with customs, interchangeability of parts, etc.)."

The protester objects to these statements on the basis that its engineering capabilities, both in-house and those available to it through consultants, are more than adequate, as shown by the progress it made during the preceding 3 years in devising a solution to the Army's need for an air bag system for the LACV-30; that it need not maintain an in-house technical writing group as does ILC Dover, because there are available subcontractors who specialize in preparing technical documents; and that none of the engineer's concerns relating to the "Buy American Act" is relevant to this procurement.

We think that to the extent, if any, the Army's evaluator may have underestimated Georgetown's engineering expertise or its ability to provide adequate documentation, it is attributable to Georgetown's failure to discuss these subjects in its proposal. The Army concedes that the Buy American Act was not a relevant consideration in this procurement. It is not clear precisely what "customs problems" the evaluator had in mind and we agree with Georgetown that "interchangeability of parts" was not listed in the RFP as an evaluation criterion. We cannot tell from the record how many points, if any, were deducted from Georgetown's score for these reasons, but we have no reason to believe that were they to be restored it would be enough to offset the technical advantage and \$10,000 price differential otherwise enjoyed by ILC Dover.

Georgetown's final argument is that ILC Dover is not capable of meeting the solicitation's requirements within the required delivery schedule of 100 days. In effect, the protester is challenging the contracting officer's determination--implicit in his award of a contract to ILC Dover--that the firm is a responsible contractor. Because an affirmative determination of responsibility is largely a subjective business judgment, our Office does not review the determination absent a showing of possible fraud on the part of procuring officials or that definitive responsibility criteria contained in the solicitation were not applied. 4 C.F.R. \$21.3(q)(4), as added by 48 Fed. Req. 1932 (1983); Moore Service, Inc., B-213302, October 31, 1983, 83-2 CPD 523. Although Georgetown alleges that the Army evaluator's negative comments about it and its Project/Design Engineer evidence "bias" against it, we think those comments more likely reflect the fact that Georgetown failed to submit with its proposal any account of its experience or employees' qualifications, contrary to the instructions in the solicitation. We do not believe there has been a sufficient showing of possible

fraud--which we have defined as virtually irrefutable proof of a malicious and specific intent to harm the protester-to invoke the exception to our policy of not reviewing affirmative determinations of responsibility, and since there are no definitive criteria involved here, we dismiss the protest as it relates to ILC Dover's responsibility.

The protest is denied in part and dismissed in part.

Comptroller General of the United States